



News Release: Attorney General Barr Asked to Temporarily Suspend Operations by Federal Prison Industries

FOR IMMEDIATE RELEASE

Fairfax, VA, April 30, 2020 -

A broad based coalition of organizations facilitated by the Business Coalition for Fair Competition ([BCFC](#)), representing small businesses owners, employees, and taxpayers, [asked](#) Attorney General William Barr to temporarily suspend operations by Federal Prison Industries (FPI), a Federal government corporation operating under the trade name [UNICOR](#), that uses inmate labor to produce goods and services.

Since business operations are limited by stay-at-home orders imposed by governors in almost every state in response to the Coronavirus pandemic, more than 30 million Americans have filed for unemployment.

"FPI has the authority to invoke a waiver of its mandatory source. With our economy in a spiral and law abiding, taxpaying Americans wanting and needing to work to support their families, it makes no sense for federal agencies to be buying products and services from inmates. Our tax dollars should be used to support our economy, our small businesses, working Americans, and their families," said BCFC President John Palatiello.

Created in 1934 as a prison labor program for inmates within the Federal Bureau of Prisons, Department of Justice, FPI provides more than 80 products and services. As roughly the 30th largest Federal contractor annually, UNICOR is a mandatory source of federal supply for the products it manufactures, meaning it is a sole source monopoly which allows it to take over any contracts it chooses to pursue, including those contracts set aside for small business including veteran-owned small businesses. Federal agencies are mandated by law to purchase from products from FPI, with a few limited exceptions. As referenced in a [recent column](#) in *Forbes Magazine*, UNICOR is a \$531 million-dollar business running seven distinct product groups: Agribusiness, Clothing & Textiles, Electronics, Fleet, Office Furniture, Recycling, and Services. A [recent story](#) in *Bloomberg News* noted that FPI would be manufacturing PPE for prisoners and guards. Another [report](#) earlier this month itemized UNICOR factories still in operation despite prison lockdowns instituted to slow the spread the Coronavirus pandemic inside Federal prisons which appears to contradict "[special guidelines](#) the CDC issued March 23 to help prevent the spread of COVID-19 behind bars." The *Washington*

Post recently called prison industries "incubators" for the virus, infecting inmates.

"It is bad enough that FPI competes with small business in good times, it is unconscionable that they would continue to do so during the Coronavirus pandemic," Palatiello said. "President Trump has called on all Americans to make sacrifices and BCFC calls on the leadership of FPI in the Justice Department to take the small but important step of temporarily ceasing operations so that Federal agencies can buy the goods and services they need from law abiding Americans at this time of need," he added.

Organizations signing the [letter](#) include: American Home Furnishings Alliance, American Subcontractors Association, American Traffic Safety Services Association, Business Coalition for Fair Competition, Construction Industry Round Table, Health Agents for America, Independent Office Products & Furniture Dealers Association, National Society of Professional Surveyors, North American Association of Uniform Manufacturers and Distributors, Office Furniture Dealers Alliance, Sheet Metal and Air Conditioning Contractors National Association, Taxpayers Protection Alliance, United Motorcoach Association, U.S. Geospatial Executives Organization, and Virginia Small Business Partnership.

About BCFC

The Business Coalition for Fair Competition (BCFC) is a national coalition of businesses, associations, taxpayer organizations and think tanks that are committed to reducing all forms of unfair government created, sponsored and provided competition with the private sector. BCFC believes the free enterprise system is the most productive and efficient provider of goods and services and strongly supports the Federal government utilizing the private sector for commercially available products and services to the maximum extent possible.

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